



RECLAIM SETTLEMENT WITH CBE/OCE

Finalized
3/10/04



THREE MAJOR AREAS AT ISSUE

- When Deductions for Exceedances are Made
- Amount Deducted for Quarterly Violations
- Posting of Facility Balances on the Web



WHEN EXCEEDANCES ARE DEDUCTED

- Previously, if exceedance was greater than next year's allocation, District would deduct all of next year's allocation, then deduct the remainder from future years.
- Now, District will deduct all from the next, year's allocation, putting companies in a negative balance. Facilities will have to eliminate negative balance to operate.



AMOUNT OF QUARTERLY DEDUCTIONS

- Methodology Unchanged
- The amount exceeded in each single quarter is added to obtain total exceedance for year
- Exceedances not compounded by carrying over one quarter's exceedance to the next

Example

Facility Allocation 100 lbs

Quarter	1	2	3	4	Total Exceedance
Emissions	50	60	40	50	
Amount Exceeded	0	10	40	50	
Purchases	0	0	30	50	
Quarter Exceedance	0	10	10	0	20



Posting of Facility Balances on the Web

- Beginning RTC Balance for Year
- RTCs Held at End of Quarter Reconciliation
- NOx Emissions Reported for Quarter
- NOx Emissions Reported for Year
- Audit Results
- Rule 2010 Deductions



Shaving Methodologies



Ongoing Data Analysis on Allocations

- RECLAIM Allocation Methodology
 - Comparison of BARCT to Tier I factors
 - Peak year equipment for 2000 allocations
 - Application of new BARCT factors to peak year activity as 2010 emissions
 - Comparison between 2010 emissions and 2010 allocations



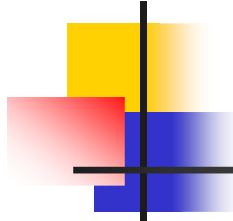
Allocation Approach

Estimated Emission Reductions =
[peak activity x year 2000 EF x (1-0.27)] –
[peak activity x lower of year 2000 EF or
new BARCT]



Ongoing Data Analysis on Allocations (Cont.)

- 2003 AQMP to 2010 Ending Emissions
 - 1997 actual emissions
 - Application of growth and control factors to 2010 based on new BARCT factors
 - Comparison between 2003 AQMP 2010 ending emissions and RECLAIM 2010 calculated emissions



AQMP Approach

Estimated Emission Reductions =
2010 Allocation – [1997 actual emissions x
growth factor x control factor]



Proposed Amended Rules



Rule 2015 – Backstop Provisions

- Separate Board item to address breakdown emissions
- Ensure meet deadline for SIP approval of May 2001 RECLAIM changes
- Set Hearing May 2004
- Public Hearing June 2004



Schedule

- Close of comment on proposed amended rules April 23, 2004
- Next Working Group meeting
May 11, 2004 9:00 a.m. Conf. Rm. GB
(tentative)